Moran-Sponsored Bill to End Death Tax Passes House

WASHINGTON, D.C. - Congressman Jerry Moran today announced that owners of small businesses, farms and ranches would no longer be forced to pay estate taxes after the death of a loved one under legislation passed by the House of Representatives. H.R. 8, the Death Tax Repeal Permanency Act of 2005, will repeal the so-called "death tax."

"The death tax is an unfair, unjust, burden on our economy and it punishes Kansans who are trying to building and continue a family business," Moran said. "Kansans should not be punished for their family's success. The last thing our small businesses, family farmers and other entrepreneurs need after the death of a loved one is a statement from the IRS."

In 2001, Moran supported House passage of a temporary sunset on the death tax in 2001. Today's legislation would permanently repeal the tax by the end of 2010. If Congressional action is not taken, the death tax will be fully reinstated in 2011.

Originally created to help offset the costs of World War I, the death tax amounts to a second round of taxation by the federal government on estates. Today, a family-owned business can lose up to 47 percent of its assets when it passes from one generation to the next. In many cases, businesses are forced to liquidate in order to pay the tax. Studies show that roughly 70 percent of families are forced to sell or abandon their business after just one generation due to this double taxation.

"This is a tremendous concern for family businesses and farmers," Moran said. "Permanently repealing the death tax will finally do away with this burdensome taxation and will help Kansans pass their livelihood on to their children and grandchildren."

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